

# The Villages®

## Community Development Districts

### District 2

#### Financial Statement Summary As of November 30, 2023

##### Revenues

Year-to-Date Revenues (YTD) of \$539,000 are greater than Prior Year-to-Date (PYTD) revenues of \$496,000 and at 40% of the annual budgeted revenue of \$1,347,000.

- The District has collected 41% of the budgeted maintenance assessments of 1,318,000. Sumter County collects the annual tax bill's maintenance assessments and remits them to the District, net a 2% collection fee. The majority of assessments are collected from November through March. There is a 10% change in maintenance assessments levied for FY 2024.
- Investment earnings of \$90 (\$6,650 realized gains and \$(6,560) unrealized gains) are less than Prior Year-to-Date earnings of \$15,000. The unrealized loss of \$6,650K is attributed to the Long-Term Investment Portfolio. The investment portfolio is comprised of domestic equity, international equity, and fixed income asset classes. LTIP gain or loss is booked a month in arrears.

##### **Market Conditions (PFM)**

- In October both equities (S&P 500 -2.10% and -4.13% for ACWI x US) and fixed income (Agg Bond - 1.58%) were down. For the US Market (using the S&P 500 index as a proxy) only utilities posted a positive performance, while all sectors were in the red.
- Treasury Yields jumped up on the higher end of the curve, creating a drag on returns for bonds. Various economic indicators (consumer confidence, inflation, unemployment, retail sales) all showed signs of cooling which is positive, but oil prices jumped up \$7 as a result of the Gaza strip conflict creating some worries for investors. Investors were generally nervous about additional geopolitical conflict during the month.
- November was the opposite as markets roared back led by the strength of Information Technology across the board and for Domestic Markets the Magnificent Seven.

The District has received 41% of the anticipated revenues through the county tax collections while the expenses will be incurred ratably over the 12 months. *As of November 30, 2023, 17% of the year has lapsed.*

##### Expenses and Other Changes

Year-to-Date Operating Expenses of \$106,000 are less than Prior Year-to-Date expenses of \$149,000. Total Year-to-Date spending is at 8% of the amended budget expenses of \$1,340,000.

- Management and Other Professional Services include Management Fees, Deed Compliance Services, and Tax Collector Fees. There was an 11% decrease in Management Fees in FY 23-24.
- Utility Services include Electricity and Irrigation Water expenses; Year-to-Date spending is 17% of budgeted expenses of \$44,000.
- Building, Landscape, and Other Maintenance Expenses totaling \$43,000 are less than the Prior Year-to-Date of \$83,000. Year-to-Date expenses are for Landscape Maintenance-Recurring. The budget for Recurring Landscape Maintenance makes up 52% of this line item.
- Other Expenses include Casualty & Liability Insurance expenses.
- Funding reserves have been budgeted for the Road R&R in the amount of \$40,000, and we have transferred 17% or \$7,000.

##### Change in Unreserved Net Position

Year-to-Date increase in Unreserved Net Position of \$426,000 is greater than Prior Year-to-Date of \$333,000. Based on anticipated revenue and expenditures for the year, the District expects to meet the amended budgeted reduction in the Unreserved Net Position of (\$32,438).

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**Investment Earnings:**

The following table outlines the Current Month Annualized Return and One Month Rate of Return earnings by investment category:

	<b>CFB</b>	<b>FLCLASS</b>	<b>FL PALM</b>	<b>FL-FIT</b>	<b>FLTRUST***</b>	<b>LTIP***</b>
<b>Current Month Annualized Return*</b>	4.88%	5.50%	5.54%	4.99%	4.94%	3.96%
<b>One Month Rate of Return**</b>	0.41%	0.46%	0.46%	0.42%	0.41%	-2.46%
<b>Prior FY 2023</b>	4.21%	4.75%	4.76%	4.28%	4.24%	-4.18%
<p>*Current Month Annualized Return is the annual return expected based on the past months return.  **One month rate of return is the actual rate of return over the prior month.  ***Rate listed is one month in arrears.</p>						

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<b>Statement of Activity</b>					
<b>For the Two Months Ending November 30, 2023 (17% of the budget year)</b>					
<b>Original Budget</b>	<b>Budget % used</b>		<b>YTD Actual</b>	<b>PYTD Actual</b>	<b>Variance</b>
		<b>REVENUES:</b>			
\$ 1,318,185	41%	Maintenance and Other Special Assessments	\$ 538,310	\$ 479,610	\$ 58,700
-	0%	Other Income	405	606	(200)
<u>28,900</u>	<u>0%</u>	Investment Income	<u>86</u>	<u>15,401</u>	<u>(15,315)</u>
1,347,085	40.0%	<b>Total Revenues:</b>	538,801	495,616	43,185
		<b>EXPENSES:</b>			
16,173	13%	Personnel Services	2,153	1,525	628
297,577	16%	Management and Other Professional Services	48,145	52,061	(3,916)
43,651	17%	Utility Services	7,639	6,796	843
974,252	4%	Building, Landscape and Other Maintenance	42,976	83,100	(40,125)
<u>7,870</u>	<u>74%</u>	Other Expenses	<u>5,830</u>	<u>5,653</u>	<u>177</u>
1,339,523	8%	<b>Total Operating Expenses</b>	106,742	149,136	(42,394)
<u>40,000</u>	<u>17%</u>	Transfers out of Unrestricted Fund	<u>6,670</u>	<u>13,340</u>	<u>(6,670)</u>
40,000	17%	<b>Total Other Changes</b>	6,670	13,340	(6,670)
<u>1,379,523</u>	<u>8%</u>	<b>Total Expenses and Other Changes:</b>	<u>113,412</u>	<u>162,476</u>	<u>(49,064)</u>
<u>\$ (32,438)</u>		<b>Change in Unreserved Net Position</b>	<u>\$ 425,390</u>	<u>\$ 333,141</u>	<u>\$ 92,249</u>
		<b>Total Cash, Net of Bond Funds</b>	<u>\$ 2,247,881</u>	<u>\$ 2,249,393</u>	<u>\$ (1,512)</u>
		*Preliminary Fund Balance - pending year-end close			
		<b>Fund Balance</b>			
		Unassigned	1,337,201	1,150,246	
		Restricted - Capital Project, Phase I	-	23,412	
		Restricted - Capital Project, Phase II	2,552	2,552	
		Committed R and R General	646,455	719,416	
		Committed R and R Villa Roads	<u>270,198</u>	<u>295,627</u>	
		<b>Total Fund Balance</b>	<u>\$ 2,256,406</u>	<u>\$ 2,191,253</u>	<u>\$ 65,152</u>